



# STATE OF NEW JERSEY

## Board of Public Utilities

Two Gateway Center

Newark, NJ 07102

[www.nj.gov/bpu/](http://www.nj.gov/bpu/)

### CLEAN ENERGY

IN THE MATTER OF THE OFFSHORE WIND  
REBATE PROGRAM FOR THE INSTALLATION OF  
METEOROLOGICAL TOWERS – REQUEST FOR  
EXTENSION APPROVAL

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ORDER

Docket Nos. EO08110971,  
EO08121062, EO08121063,  
EO08121064

<u>Company</u>	<u>City/Town</u>	<u>Docket Number</u>
Fishermen's Energy of New Jersey, LLC	Cape May	EO08121062
Bluewater Wind of New Jersey, LLC	Hoboken	EO08121063
Garden State Offshore Energy, LLC	Hoboken	EO08121064

(SERVICE LIST ATTACHED)

BY THE BOARD:

On October 22, 2008, New Jersey's Energy Master Plan was issued. The Energy Master Plan (EMP) contains a goal of installing at least 1000 megawatts (MW) of offshore wind (OSW) energy by 2012 and at least 3000 MW by 2020. To further work toward these goals, the Board of Public Utilities (Board) authorized an application process for a proposed OSW Rebate program for the construction of meteorological towers to support the development of at least 1000 MW of OSW by 2012. On December 16, 2008 the Board approved funding for the proposed program, in the amount of \$12 million, budgeted within the 2009 New Jersey Clean Energy Program and Budget (2009 NJCEP Budget). The Order approved a \$12 million budget line item for the OSW Meteorological Tower Rebate Program to offer rebates up to \$4 million to eligible developers in order to encourage the installation of meteorological towers and related equipment. I/M/O Comprehensive Energy Efficiency and Renewable Energy Resource Analysis for 2009-2012: 2009 Programs and Budgets: Compliance Filings, Dkt. No. EO07030203 (January 7, 2009). Thereafter, on December 17, 2008, the Board approved the rebate applications from Fishermen's Energy of New Jersey, LLC; Bluewater Wind of New Jersey, LLC



and Garden State Offshore Energy, LLC. This matter involves a request by the three successful applicants for an extension of the rebate commitment for one full year from the original expiration date of January 9, 2010 to January 9, 2011, which request is approved by the Board for the reasons set forth below.

## BACKGROUND

At the October 3, 2008 agenda meeting, the Board announced the Off-Shore Wind (OSW) grant award to Garden State Off-Shore Energy (GSOE) for its proposed 350 MW Off-Shore Wind generation facility and recommended supporting other qualified projects. On October 10, 2008, the Governor announced the OSW goal to install 1000MW of OSW by 2012 and 3000 MW by 2020. This was followed by the release of the final Energy Master Plan (EMP) which incorporated the Governor's OSW goals.

At the October 24, 2008 agenda meeting, the Board approved a stakeholder process for rulemaking on a proposed OSW Renewable Portfolio Standard (RPS) set aside. The Board Staff ("Staff" or "OCE") held an OSW stakeholder meeting on October 30, 2008 as a follow-up to the announcement of the EMP OSW goals. This meeting was an open public stakeholder meeting to discuss next steps in achieving the OSW targets specified in the EMP. In consideration of the need to develop programs to achieve the OSW targets in the EMP, Staff reexamined the approach of proceeding with a single project and developed an OSW rebate proposal that would support multiple simultaneous projects.

Board Staff held an RE Committee meeting on November 12, 2008 to discuss the 2009 RE budget in New Jersey's Clean Energy Program. The stakeholders considered the possibility of budgeting \$15 million for OSW. At its November 21, 2008 Agenda meeting, the Board authorized the initiation of an application process for the proposed Offshore Wind Rebate Program in anticipation of and subject to the Board's subsequent approval of the proposed OSW Rebate Program. I/M/O the Offshore Wind Rebate Program for the Installation of Meteorological Towers, Dkt. No. EO08110971 ("November 26 Order"). The rebate application approved by the November 26 Order includes a criterion stating that "in the event the construction of the meteorological tower is delayed by an event which is not within the reasonable control of the applicant, then applicant shall promptly notify the Board of such event and shall consult with Board Staff to determine whether a revised schedule is appropriate."

As noted above, the Board approved the 2009 programs and budgets for the New Jersey Clean Energy Program ("NJCEP") at its December 16, 2008 Agenda meeting, including a \$12 million budget line item for the OSW Meteorological Tower Rebate Program<sup>1</sup> to offer rebates up to \$4 million to eligible developers in order to encourage the installation of meteorological towers and related equipment. On December 17, 2008, the Board approved the rebate applications from Fishermen's Energy of New Jersey, LLC; Bluewater Wind of New Jersey, LLC and Garden State Offshore Energy, LLC (renamed Deepwater Wind) and authorized Staff to issue a commitment letter to the identified OSW developers. I/M/O The Offshore Wind Rebate Program for the Installation of Meteorological Towers, Dkt. Nos. EO08110971, EO08121062-64 (January 8, 2009).

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<sup>1</sup> The Board's approval of the 2009 programs and budgets for the NJCEP and the budget for the OSW Meteorological Tower Rebate Program are subject to State appropriations laws.



On January 9, 2009, the Board issued rebate commitment letters to each of the three OSW developers identified above for an estimated rebate in the amount of \$ 4 million. The rebate commitment letter is valid for a period of one year. Rebate payments would not be made until construction of the meteorological towers are completed.

On or about June 29, 2009 each of the OSW Developers submitted a status report and extension request to BPU staff advising BPU that the delay in public release of federal regulatory requirements and the resultant delay in commencing construction meant that seasonal weather related concerns now existed for the ability of installation crews to safely install the met stations. One developer stated explicitly that it would have required access to the site no later than March 2009 in order to safely install a Meteorological Tower in 2009; however, an exploratory interim lease was not ultimately awarded by the federal Mineral Management Service until June 2009. Letter from GSOE dated June 26, 2009. The other parties similarly referenced delayed release of necessary federal permits and standards beyond specific time frames as the direct cause of their delay in commencing construction. Letter from Bluewater Wind, dated July 3, 2009; letter from Fishermen's Energy of New Jersey, LLC, dated June 25, 2009.

The OSW Rebate Program application criteria and the rebate commitment conditions are set forth in the Board's November 26th Order. OCE has reviewed the OSW Meteorological Tower status reports and requests for extension. The OCE has reviewed each of the developer's progress report and justification for an extension and finds them in conformance with all Board requirements for a rebate commitment extension for one full year from the original expiration date of January 9, 2010. Based on the foregoing, the OCE recommends that the Board approve the above referenced rebate extension requests from all three OSW developers and extend the rebate commitment for one full year from the original expiration date of January 9, 2010 to January 9, 2011.

Upon review, the Board **FINDS** that the developers, in submitting their status reports and justifications for an extension fully comply with the process for seeking an extension of time for the Offshore Wind Rebate Program for the Installation of Meteorological Towers, as set forth in the November 26 Order. The Board **FINDS** that the necessary federal regulatory schemes were not in place until June 2009, which resulted in the loss of much of the 2009 construction season. The Board **HEREBY APPROVES** the aforementioned extension requests, for a period of one year until January 9, 2011, based on the status report and justification provided and **AUTHORIZES** the Staff of the OCE to issue an extension to the commitment letter to the applicants identified above. The Board further **AFFIRMS** that each extension is conditioned upon the developer in question submitting a description of the construction work remaining on the met stations, including the status of construction, the amount of work to be conducted within New Jersey, and an estimation of the number of jobs affected. The Board **DIRECTS** each developer to submit this information within 30 days of the execution of this Order, to be periodically updated as Staff shall determine.

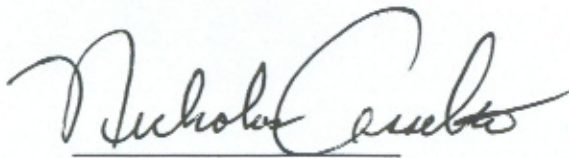
DATED: 9/16/09

BOARD OF PUBLIC UTILITIES  
BY:

  
JEANNE M. FOX  
PRESIDENT

  
FREDERICK F. BUTLER  
COMMISSIONER

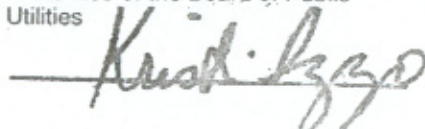
  
JOSEPH L. FIORDALISO  
COMMISSIONER

  
NICHOLAS ASSELTA  
COMMISSIONER

  
ELIZABETH RANDALL  
COMMISSIONER

ATTEST:   
KRISTI IZZO  
SECRETARY

I HEREBY CERTIFY that the within  
document is a true copy of the original  
in the files of the Board of Public  
Utilities





IN THE MATTER OF THE OFFSHORE WIND ORDER REBATE PROGRAM FOR THE  
INSTALLATION OF METEOROLOGICAL TOWERS

SERVICE LIST

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